

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Forest Department – Constitution of Committee for negotiations -  
Reconsideration of Tender process for disposal of Red Sanders Wood for  
converting into Value Added Products (VAP) –Orders issued.

ENVIRONMENT, FORESTS, SCIENCE & TECHNOLOGY (FOR.III) DEPARTMENT

**G.O.Rt.No. 202**

**Dated:19.04.2010.**

**Read the following:-**

1. G.O.Ms.No.544, EFS&T (For.III) Dept., Dt.17.11.2007.
2. G.O.Rt.Nos.77 to 82 EFS&T (For.III) dt.12-2-2009.
3. G.O.Rt.No.480, EFS&T (For.III) Dept., Dt.01.10.2010.
4. Joint representation from M/s Zitan Trading Corporation and M/s Andhra Fogaku Pvt. Ltd., Dt.09.03.2010.
5. From the Principal Chief Conservator of Forests, AP, Hyderabad, Letter No.35039/2008/V2,Dt.20.03.2010.

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**ORDER:-**

In the reference 1<sup>st</sup> read above, permission has been accorded to the Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad for issuing Global Tenders for disposal of R.S. Wood both in round log form and value added form. In pursuance of the permission accorded by the Government, the Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad issued notification on 26.11.2007 calling for Global Tenders for disposal of R.S. Wood.

2. After verifying the bids received, the Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad has submitted a report to Government and the Government, after examining the proposals of the Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad had issued orders in the reference 2<sup>nd</sup> read above, allotting the R.S. Wood in VAP form and Log form to the successful tenderers, subject to obtaining the permission from the Government of India for exporting R.S.Wood in round log form.

3. However, the Government of India have not considered the request of the State Government. As per the instructions of the Government, the Prl.Chief Conservator of Forests after holding negotiations with the highest bidders have submitted a report to the Government. Government after examining the entire issue, observed that the rates quoted by the Highest bidders for the R.S. Wood in VAP form is very less and accordingly cancelled the orders issued in the reference 2<sup>nd</sup> read above.

4. In the reference 4<sup>th</sup> read above, the two firms i.e., M/s Zitan Trading Corporation, Hyderabad and M/s Andhra Fogaku Pvt. Ltd., Hyderabad have submitted that on account of long gap in finalizing the issue, they have incurred lot of expenditure to sustain their foreign buyers. They have also invested substantial amounts and created facilities for conversion. At this final stage of whole transaction/process, Government in G.O.Rt.No.480, EFS&T Dept., Dt.01.10.2010, have issued orders stating that the prices offered by them seems to be less and fresh tenders be called for. M/s Zitan Trading Corporation, Hyderabad and M/s Andhra Fogaku Pvt. Ltd., Hyderabad have requested to issue necessary instructions to the Prl.Chief Conservator of Forests to invite them for negotiations to resolve the long pending issues

(p.t.o.)

amicably at the earliest, so that the issue can be settled and the State can get revenue immediately. This offer is being made by them without prejudice to the cases filed by them before the Hon'ble High Court and if agreed to this proposals, they will withdraw the cases pending in Hon'ble High Court by filing a compromise petition before the Hon'ble High Court and to close the pending writ petitions.

5. In the reference 5<sup>th</sup> read above, the Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad has requested the Government to consider the request of the applicants, as the department may be able to dispose off good quantity of Red Sanders Wood seized and dressed/graded, if a reasonable rate acceptable to Government is obtained after negotiations.

6. In the circumstances stated above, after careful examination of the issue, the Government hereby constitute a Committee with the following Officers to hold negotiations with the highest bidders to resolve the long pending issue through negotiation process subject to withdrawing the cases filed in the High Court by the highest bidders, after the issue is resolved through negotiations.

1. The Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad.
2. The Vice-Chairman & Managing Director, A.P.F.D.C. Ltd., Hyderabad.
3. Representative of the EFS&T Dept., (Spl. Secy. Forests)
4. Representative of Fin. Dept., Addl. Secy. (W&P)
5. Spl. PCCF (Production) O/o the PCCF. Hyderabad.

7. The above Committee shall invite the highest bidders for negotiations and after the due process submit a detailed report to the Govt. within one week for taking further necessary action, as this issue is related to Revenue receipts of the State Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

JANAKI R.KONDAPI  
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To  
The Principal Chief Conservator of Forests,  
Andhra Pradesh, Hyderabad.  
Copy to:  
The Finance (W&P) Dept.,  
The Vice-Chairman & Managing Director, A.P.F.D.C. Ltd., Hyderabad.  
The Spl. PCCF (Production) O/o the PCCF. Hyderabad.  
PA to Spl.Secy (For), EFS&T Department.  
M/s Zitan Trading Corporation, Hyderabad.( Through Prl.CCF)  
M/s Andhra Fogaku Pvt. Ltd., Hyderabad. .( Through Prl.CCF)

//FORWARDED :: BY ORDER//

SECTION OFFICER